



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

MAR -7 2007

Fred O. Towe, Esq.  
William R. Groth, Esq.  
Fillenwarth Dennerline Groth & Towe  
1213 N. Arlington Avenue, Suite 204  
Indianapolis, IN 46219

RE: MUR 5638  
William Abbott  
Bill Abbott For Preserving American Jobs  
and Sarah Ruth Rehmel, in her official capacity as  
treasurer

Dear Mr. Towe and Mr. Groth:

Enclosed please find a Statement of Reasons adopted by the Commission explaining its decision to find reason to believe that your clients violated 2 U.S.C. §§ 441b(a) and 434(b), send an admonishment letter and take no further action. This document will be placed on the public record as part of the file in MUR 5638.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script, appearing to read "Claire N. Rajan".

Claire N. Rajan  
Attorney

Enclosure  
Statement of Reasons

27044160724



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

**SENSITIVE**

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of	)	
	)	MUR 5638
Bill Abbott For Preserving	)	
American Jobs and Sarah Ruth Rehmel, in her	)	
official capacity as treasurer, <i>et al.</i>	)	

**STATEMENT OF REASONS**

In 2002, William Abbott, an employee at a General Electric Company subsidiary ("GE") in Bloomington, Indiana, and a member of the Executive Board of the International Brotherhood of Electrical Workers, Local 2249 ("Local 2249"), ran for Congress in Indiana's 4<sup>th</sup> District. After exhausting his vacation and personal leave time, Abbott wished to campaign during his work hours, but GE policies did not permit paid-leave time for political activity, and Local 2249 believed that unpaid leave for Abbott to campaign was also not an option due to GE's policies.

The applicable collective bargaining agreement between GE and Local 2249 subjects GE employees who are absent from their regular work in excess of two weeks without satisfactory explanation to possible termination and stoppage of service credit accruals. To avoid these possible consequences for Abbott, Abbott and Local 2249's president signed and submitted to GE labor vouchers verifying that Abbott was engaged in legitimate union-paid business—which would be considered a satisfactory reason for being absent from his GE job—for the time Abbott spent campaigning during his normal work hours. In its joint response, Abbott and Local 2249

27044160725

admitted that Local 2249 compensated Abbott in this manner during the period of August 15, 2002 to October 30, 2002, for a total of 224.83 hours and total gross wages of \$4,779.91. According to their joint response, Abbott reimbursed Local 2249 for the entire amount, usually within a few days of each disbursement.

FECA prohibits candidates and political committees from accepting contributions from labor organizations. 2 U.S.C. § 441(b)(a). Based on the circumstances set forth above, it appeared that Abbott and his campaign committee accepted prohibited “contributions” both in terms of “something of value”—Abbott’s opportunity to campaign during working hours without loss of his GE job and benefits—and in terms of compensation that was not for *bona fide* employment genuinely independent of Abbott’s candidacy, not in consideration of services provided by Abbott as part of his employment, and not equivalent to what would permissibly be paid to similarly situated employees. See 2 U.S.C. § 441b(b)(2) and 11 C.F.R. § 113.1(g)(6)(iii).<sup>1</sup>

The Office of General Counsel recommended that the Commission find reason to believe that William Abbott and Bill Abbott For Preserving American Jobs and Sarah Ruth Rehmel, in her official capacity as treasurer (“the Committee”), knowingly and willfully violated 2 U.S.C. § 441b(a) by accepting prohibited contributions from a labor organization and that the Committee also knowingly and willfully violated 2 U.S.C. § 434(b) by failing to report them, and enter into pre-probable cause conciliation. In 2002, Abbott, a relatively low-wage employee, was not a sophisticated political player. Moreover, his 2002 campaign raised very little money against a well-financed incumbent opponent, and Abbott promptly reimbursed Local 2249 for the funds it

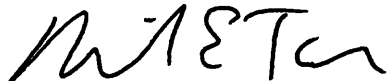
---

<sup>1</sup> All of the events recounted in this Statement of Reasons occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 (“BCRA”), Pub. L. 107-155, 116 Stat. 81 (2002). Accordingly, all citations to the Federal Election Campaign Act of 1971, as amended (“the Act”), herein are to the Act as it read prior to the effective date of BCRA. Likewise, all citations to the Commission’s regulations herein are to the 2002 edition of Title 11, Code of Federal Regulations, which was published prior to the Commission’s promulgation of regulations under BCRA.

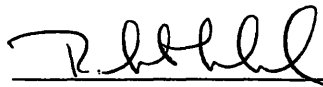
27044160726

gave him. Accordingly, we believed it was more appropriate to find reason to believe that Abbott and the Committee violated 2 U.S.C § 441b(a) and that the Committee also violated 2 U.S.C. § 434(b), send an admonishment letter, and take no further action as to these Respondents.


12/13/06  
Date

  
Michael E. Toner  
Chairman

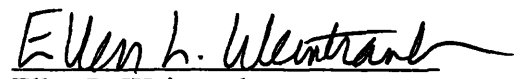
12/4/06  
Date

  
Robert D. Lenhard  
Vice-Chairman

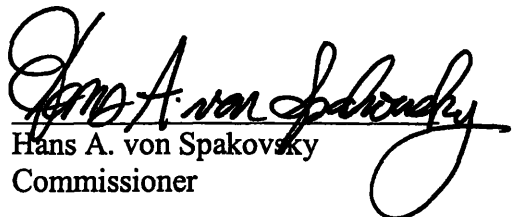
12/13/06  
Date

  
David M. Mason  
Commissioner

12/13/06  
Date

  
Ellen L. Weintraub  
Commissioner

12-12-06  
Date

  
Hans A. von Spakovsky  
Commissioner

27044160727